

BEFORE THE ARIZONA CORPORATION COMMISSION



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COMMISSIONERS

SUSAN BITTER SMITH - Chairman

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IN THE MATTER OF THE APPLICATION OF
HUMBOLDT WATER SYSTEMS, INC. FOR
APPROVAL OF A FINANCING APPLICATION

DOCKET NO. W-02197A-12-0410

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF
HUMBOLDT WATER SYSTEMS, INC. FOR
APPROVAL OF A RATE INCREASE

DOCKET NO. W-02197A-13-~~0000~~

0115
Arizona Corporation Commission

DOCKETED

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On March 19, 2014 the Commission entered Decision No. 74386 in this docket. This Decision among other things authorized Humboldt Water Systems, Inc. (the Company) to implement a surcharge mechanism to recover the principal and interest on a WIFA loan (DOCKET NO. W-02197A-12-0410 approved in Decision 74386). The Staff Report recommended a surcharge of \$22,891 annually to be collected monthly per the attached *Calculation of surcharge amount for arsenic and nitrates treatment plant based on staff report schedule BCA-7.*

Since WIFA has forgiven principal in the amount of \$150,000 on this loan, the surcharge amount has also been amended from the staff's recommendation of \$22,891 to \$13,674 annually.

The Company has submitted its final requisition request and expects the loan to close in December of 2015. The company has paid to WIFA interest on the principal as drawn since the beginning of 2014 in the total amount of \$9791.83.

The treatment plant is completed and has been approved by ADEQ as evidenced in previous submittals to this Docket. The company is hereby

BEFORE THE ARIZONA CORPORATION COMMISSION

requesting this surcharge to be implemented as prescribed in the Commission's order per the attached recommendation of the Staff.

The decision further ordered this Docket to remain open until this surcharge can be implemented.

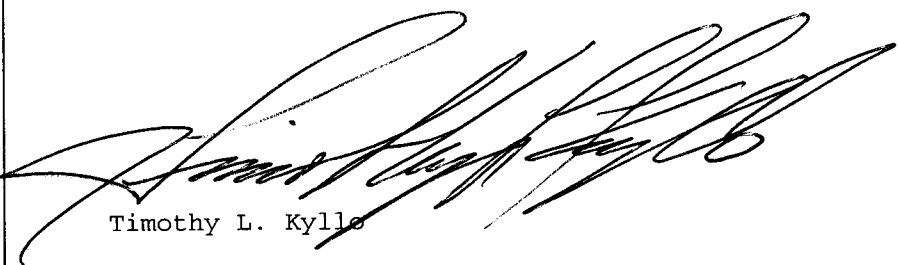
Docket No. W-02197A-12-0410

Docket No. W-02197A-13-0155

Requested Loan Surcharge per meter size

	Loan
MONTHLY USAGE CHARGE:	Surcharge
5/8" X 3/4" Meter	\$3.10
3/4" Meter	\$3.10
1" Meter	\$7.74
1-1/2" Meter	\$15.48
2" Meter	\$18.58
3" Meter	\$49.57
4" Meter	\$77.41
6" Meter	\$154.82

Respectfully Submitted this 14th Day of December, 2015



Timothy L. Kyll

Pres, Humboldt Water Systems, Inc.

**CALCULATION OF SURCHATGE AMOUNT FOR
ARSENIC AND NITRATES TREATMENT PLANT
BASED ON STAFF REPORT SCHEDULE BCA-7**

PER STAFF REPT

Installation of Arsenic and Nitrate Treatment Plant

Total Yearly Interest and Principal Payments Base on a

20 Year WIFA Loan and a 4.5% Interest rate

Totan Annual SurchargeRevenue Requirement for the Loan

Total equivalent Annual Bills

5/8 x 3/4 Meter Surcharge Amount	22,891/4,200	\$	5.45
3/4 x 3/4 Meter Surcharge Amount	5.45 x 1	\$	5.45
1" Meter Surcharge Amount	5.45 x 2.5	\$	13.63
1 1/2 " Meter Surcharge Amount	5.45 x 5.0	\$	27.25
2" Meter Surcharge Amount	5.45 x 6.0	\$	43.60
3" Meter Surcharge Amount	5.45 x 16.0	\$	87.21
4" Meter Surcharge Amount	5.45 x 25	\$	136.26
6" Meter Surcharge Amount	5.45 x 50	\$	272.52

Meter Size	Number of Customers	Customer Multiplier	Equivalent Customers	Equivalent N. of Bills	Monthly Surcharge	Yearly Surcharge	Total Amount
5/8" x 3/4"	185	1	185	2,220	\$ 5.45	\$ 65.40	\$ 12,099.00
3/4"	123	1	123	1,476	\$ 5.45	\$ 65.40	\$ 8,044.20
1"	2	2.5	5	60	\$ 13.63	\$ 163.56	\$ 327.12
1 1/2"	1	5	5	60	\$ 27.25	\$ 327.00	\$ 327.00
2"	4	8	32	384	\$ 43.60	\$ 523.20	\$ 2,092.80
3"	0	16	0	0	\$ 87.21		
4"	0	25	0	0	\$ 136.26		
6"	0	50	0	0	\$ 272.52		
TOTAL	315		350	4,200		\$	22,890.12

**CALCULATION OF SURCHATGE AMOUNT FOR
ARSENIC AND NITRATES TREATMENT PLANT
BASED ON ACTUAL LOAN AMOUNT AND CHARGES**

	LOAN	DEBT FORGIVEN	ACTUAL LOAN
Installation of Arsenic and Nitrate Treatment Plant	\$ 301,528	LESS \$ 150,000	\$ 151,528
Total Yearly Interest and Principal Payments Base on a 20 Year WIFA Loan and a 4.5% Interest rate	4.2 % ACTUAL		\$ 13,674

Totan Annual SurchargeRevenue Requirement for the Loan \$ 13,674

Total equivalent Annual Bills 4296

5/8 x 3/4 Meter Surcharge Amount	13,674/4,416	\$ 3.10
3/4 x 3/4 Meter Surcharge Amount	3.18 x 1	\$ 3.10
1" Meter Surcharge Amount	3.18 x 2.5	\$ 7.74
1 1/2 " Meter Surcharge Amount	3.18 x 5.0	\$ 15.48
2" Meter Surcharge Amount	3.18 x 6.0	\$ 18.58
3" Meter Surcharge Amount	3.18 x 16.0	\$ 49.54
4" Meter Surcharge Amount	3.18 x 25	\$ 77.41
6" Meter Surcharge Amount	3.18 x 50	\$ 154.82

Meter Size	Number of Customers	Customer Multiplier	Equivalent Customers	Equivalent N. of Bills	Monthly Surcharge	Yearly Surcharge	Total Amount
5/8" x 3/4"	193	1	193	2,316	\$ 3.10	\$ 37.16	\$ 7,171.42
3/4"	133	1	133	1,596	\$ 3.10	\$ 37.16	\$ 4,941.96
1"	2	2.5	5	60	\$ 7.74	\$ 92.89	\$ 185.79
1 1/2"	1	5	5	60	\$ 15.48	\$ 185.79	\$ 185.79
2"	4	8	32	384	\$ 18.58	\$ 222.95	\$ 891.78
3"	0	16	0	0	\$ 49.54	\$ 594.52	\$ -
4"	0	25	0	0	\$ 77.41		
6"	0	50	0	0	\$ 154.82		
TOTAL	333		368	4,416			\$ 13,376.74